Import of Material for Electronic Industry

747. SHRI RAOOF VALIULLAH: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that 90 per cent of the production material for electronic industry is being imported though these are available in the country in natural form, if so, what measures are being taken to encourage electronic component industry to attain self-sufficiency;

(b) what is the turn-over of electronic industry this year and what is the target by the end of Seventh Five Year Plan;

(c) whether Government have decided to ban CKD and SKD kits for consumer electronic industry; and

(d) if so, what is the net saving in terms of foreign exchange?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) Electronics industry does not use materials in its natural form. They are processed to improve purity and converted into different shape, size and physical structure and in many cases compounded with other elements before they are put to use. According to an estimate, value-wise around 60 per cent of the present consumption of total materials are being imported which are mainly for electronic compoments. However, steps are being taken to promote indigenous production of materials for electronics industry.

Measures being taken to encourage electronics component industry are given below:

1. Electronic Component Industry has been delicensed.

2. Foreign Collaboration has been allowed liberally.

3. Electronic Component Industry has been exempted from clearance under Section 22A of the MRTP Act.

4. The import duty for the inputs for the manufacture of electronic components has been reduced.

5. Import duty on tools, dies and moulds required by the industry has been reduced to 30 per cent.

6. A large number of capital goods are allowed to be imported on OGL.

7. Import of plant & equipment for project imports allowed at concessional import duty of 30 per cent and for modernisation/balancing at 60 per cent.

(b) The total production of electronics during 1988-89 is anticipated to be Rs. 7085 crores and it is targetted to increase to Rs. 10,860 crores by the end of the Seventh Five Year Plan.

(c) and (d) As per the Import and Export Policy import of electronic SKD/CKD kits is on the banned category. It is difficult to give accurate estimates of any savings accrued as a result of the measures taken.

Reduction of subsidy burden to meet country's Massive Development

748. SHRI RAOOF VALIULLAH: Will the Minister of PLANNING be pleased to state:

(a) whether Government are considering to reduce the subsidy burden to meet the country's massive development plans, if so, whether Planning Commission has identified various sectors of the economy where subsidies are not required;

(b) whether it is felt that restructuring of the entire Subsidy scheme is necessary in order to raise Government's saving, if so, whether the Planning Commission has undertaken the exercise of selecting priority areas where subsidy is required; and

(c) what is the total amount of direct and indirect subsidies in the economy?